

**THE PURCELL SCHOOL**  
**REPORT OF THE DIRECTORS AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

**THE PURCELL SCHOOL  
DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 AUGUST 2015**

The members of The Purcell School Governing Body present their Annual Report for the year ended 31 August 2015 under the Charities Act 2011 and the Companies Act 2006, thus including the Directors' Report and Strategic Report under the 2006 Act, together with the audited financial statements for the year.

**DIRECTORS, GOVERNORS AND TRUSTEES**

The Directors of the Company for the purposes of company law are the Governors of The Purcell School and also Trustees of the Charity. The Governors who served in the year and at the date of this report are:

NAME	Finance and General Purposes Committee	Education Committee	Nominations Committee
Ms Jenny Agutter		x	
Mr Charles Beer – Chairman of Finance and General Purposes Committee	x		x
Mr Stephen Benson	x		
Professor Tim Blinks		x	
Dr Xanthe Cross		x	
Mr Jonathan Eley			x
Mr James Fowler – Chairman of Education Committee		x	
Miss Janice Graham		x	
Sir Roger Jackling – Chairman	x	x	x
Professor Colin Lawson		x	
Lady Jean MacGregor		x	x
Mrs Julie Nicholls	x		
Mr Ian Odgers (appointed November 2015)	x		
Mr Mark Racz		x	
Mr Peter van de Geest – Deputy Chairman	x	x	x
Ms Joanna van Heyningen	x	x	

This table shows the committees that each Governor attends throughout the year, in addition to the Governors Body Meetings.

**COMPANY SECRETARY**

Miss Aideen McNamara

**OFFICERS**

**Headmaster**

Mr David Thomas (resigned 31<sup>st</sup> August 2015)  
Mr Stephen Yeo (to commence from 1<sup>st</sup> Jan 2016)

**Interim Head**

Mr James Harding (1<sup>st</sup> Sep – 31<sup>st</sup> Dec 2015)

**Deputy Head (Staff and Communication)**

Mr James Harding

**Interim Deputy Head (Staff and Communication)**

Mrs Emma Balfour (1<sup>st</sup> Sep – 31<sup>st</sup> Dec 2015)

**Deputy Head (Students and Innovation)**

Mrs Christine Rayfield

**Bursar and Clerk to Governors**

Miss Aideen McNamara

**PRINCIPAL ADDRESS AND REGISTERED OFFICE**

Aldenham Road  
Bushey  
Herts WD23 2TS

**WEBSITE**

[www.purcell-school.org](http://www.purcell-school.org)

**EMAIL**

[info@purcell-school.org](mailto:info@purcell-school.org)

**AUDITORS**

Crowe Clark Whitehill LLP  
St Bride's House  
10 Salisbury Square  
London EC4Y 8EH

**PRINCIPAL BANKERS**

Coutts and Co.  
440 Strand  
London WC2R 0QS

**THE PURCELL SCHOOL**  
**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

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**DIRECTORS' REPORT**

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Status**

The Purcell School ("the Charity" or "the School") was incorporated on 30th April 1963, changing its name to the present name on 6th June 1984. It was incorporated as a company limited by guarantee not having a share capital, with the registration number 759327. It is also a registered charity under the Charities Act 2011 with the charity number 312855. The governing document of the charitable company is its Memorandum and Articles of Association. In 1980 The Purcell School was designated by the Secretary of State for Education as one of five specialist schools in Britain under what is now the Music and Dance Scheme.

**Governance**

The School is governed by a Governing Body, whose members are also Directors of the Company and Trustees of the Charity.

The Governing Body is responsible for formulating the strategy and policies for the School as a whole and may meet at such times and regulate its meetings as it sees fit. The Governing Body normally meets three times a year.

The Governing Body has appointed a Finance and General Purposes Committee for the oversight of the day to day running of the School and which, under the general supervision of the Governing Body, exercises such powers and performs such duties in relation to the affairs of the School as are vested in or given to it by the Governing Body. The Finance and General Purposes Committee comprises appointed members of the Governing Body with the Headmaster and Bursar in attendance. It normally meets once each term and arranges additional meetings as required.

The Governing Body has also appointed an Education Committee to oversee and monitor the educational and pastoral activities of the School. The Education Committee comprises appointed members of the Governing Body with the School's officers in attendance. It normally meets three times a year.

The Governing Body has also appointed a Nominations Committee that takes responsibility for reviewing the composition, skills and renewal of the Governing Body and is chaired by the Chairman of Governors.

All Governors give of their time freely and no remuneration or expenses were paid.

The Charity wholly owns Purcell School (Trading) Limited, which did not trade during the year.

**Recruitment and Training of Governors**

It is the policy to recruit Governors from a wide variety of professions to enhance the Governing Body's strategic judgement. New Governors are elected by current members of the Governing Body. The professional backgrounds of current Governors encompass music (including performance, teaching and the conservatoires), secondary and tertiary education, the wider world of the arts, architecture, banking, business, law, accountancy, medicine and government service. The Governing Body aims to provide a balance between those who know the School and the local area very well, and those who, whilst committed to its aims, come from further away and are able to provide special insights, experience, political sensitivity and objectivity. It is the policy of the Governors to include a former pupil and at least one current parent on the Governing Body provided that they have the requisite skills and experience.

The chief requirement of all Governors is to accumulate sufficient understanding of the School, its aims and its modus operandi, to enable them to use their knowledge and their professional background in agreeing the strategic direction of the School.

**THE PURCELL SCHOOL**  
**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

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**STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)**

**Recruitment and Training of Governors (continued)**

New Governors are inducted into the workings of the School through briefing sessions with the Chairman, Headmaster and members of the Senior Management Team. In addition they are provided with guidance from AGBIS (Association of Governing Bodies of Independent Schools), ISC (Independent Schools Council) and the Charity Commission. Governors are advised of and encouraged to attend appropriate external training workshops and presentations.

All Governors receive the papers for all Governors' committees to allow them to stay informed of current issues within the School. Staff make regular presentations to the Governing Body or its Committees on a wide range of topics. A programme of gubernatorial visits is arranged to allow Governors to gain first-hand experience of the School at work; their observations are shared with the Headmaster and reported on at a full Governors' meeting. In March 2015, Xanthe Cross took over from Jean MacGregor as Safeguarding Governor with specific responsibility for Child Protection.

**Public Benefit Aims and Intended Impact**

The Governors continue to seek to develop the School's provision of public benefit in line with section 17 of the Charities Act 2011.

The School is a co-educational specialist music school for young musicians of exceptional talent between the ages of 8 and 18. The public benefit aim is to provide training for the soloists, musicians, composers and teachers of the future, and also to provide an excellent general education. The academic courses followed are similar to those studied in non-specialist schools.

The School is predominantly a boarding school with 143 boarders and 39 day pupils. A special quality of the School is its warmth and friendliness and its strong sense of community and purpose, which has developed from a common love of music.

The School offers bursaries through the Department for Education's Music and Dance Scheme. For pupils who do not qualify for the Music and Dance Scheme support is offered by the School from the School's own Scholarship Fund. As a result, every pupil accepted by the School is entitled to means tested financial assistance and the key criterion for admission to the School is musical excellence and not ability to pay.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The Governors (who are also directors of The Purcell School for the purposes of company law) are responsible for preparing the Directors' Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

Company law requires the Governors to prepare financial statements for each financial year. Under company law the Governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements the Governors are required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities Statement Of Recommended Practice
- make judgments and estimates that are reasonable and prudent
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

**THE PURCELL SCHOOL  
DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2015**

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**STATEMENT OF DIRECTORS' RESPONSIBILITIES (continued)**

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions, disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006 and the provisions of the Charity's constitution. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Insofar as each of the Governors of the charitable company at the date of approval of this report is aware, there is no relevant audit information (information needed by the charitable company's auditors in connection with preparing the audit report) of which the charitable company's auditors are unaware. Each Governor has taken all of the steps that he/she should have taken as a Governor in order to make himself/herself aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

**AUDITORS**

Crowe Clark Whitehill LLP have expressed their willingness to continue as auditors for the next financial year.

**THE PURCELL SCHOOL  
DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2015**

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**STRATEGIC REPORT**

**AIMS AND OBJECTIVES FOR THE YEAR**

**Principal Aims**

The principal object of the Charity as set out in its Memorandum and Articles of Association is to establish and conduct a school for the purpose of providing general and specialist music education.

The School offers a rounded education, with music at its heart, and provides young musicians of exceptional talent and promise with the best possible teaching and environment in which to fulfil their potential, regardless of their background.

In 2003 the School was awarded the Mozart Gold Medal by UNESCO in recognition of its outstanding contribution to arts education.

**Risk Management**

The Governing Body is responsible for the management of the risks faced by the School. Detailed considerations of risk are delegated to the Finance and General Purposes Committee, which is assisted by senior School staff. Risks are identified, assessed and controls established throughout the year. A formal review of the School's risk management processes is undertaken on an annual basis. The key controls used by the School include:

- formal agendas for Governing Body activity
- detailed terms of reference for all Committees of the Governing Body
- comprehensive strategic planning, budgeting and management accounting
- established organisational and governance structures and lines of reporting
- formal written policies including staff handbook, safeguarding and child protection, and health and safety
- hierarchical authorisation and approval levels
- external review
- financial procedures policy.

Through the risk management processes established for the School, the Governors are satisfied that the major risks identified have been managed as necessary. The Governors have identified that the key areas of risks that the School faces lie in the effectiveness of its governance and management, the efficiency of its operations, the effectiveness of its safeguarding procedures and in ensuring its financial health and stability. These include, in particular, a significant fall in pupil numbers and withdrawal or changes to the Department for Education funding. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been managed.

The management of risk is a routine part of the day to day operation of the School. Policies and procedures are in place to assess and manage risks. During the year Governors reviewed safeguarding and child protection, health and safety, the school's strategic plan, finance procedures, data protection, pupil/staff recruitment and performance/appraisal policies.

**THE PURCELL SCHOOL**  
**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

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**AIMS AND OBJECTIVES FOR THE YEAR (continued)**

**Objectives for the Year**

In setting the School's objectives Governors have given careful consideration to the Charity Commissions' public benefit guidance.

The School's objectives for the year were:

- maintaining its high level of musical and academic performance
- ensuring the School's policy of offering places according to musical promise rather than ability to pay is upheld by offering means tested financial assistance to all pupils accepted by the School, either through the Department for Education's Music and Dance Scheme or School Scholarships
- continuing the enhancement of the School's premises
- expanding fundraising initiatives in the School to create a focussed committee targeting funding for capital projects and continuing to work towards the aim of funding all fee remissions offered to non-Music and Dance Scheme pupils
- monitoring the requirement placed on the School under the Charities Act 2011 to continue to demonstrate public benefit
- to continue to build links with the community both through access to musical events and activities in the School as well as through Outreach Programmes
- to review and develop the School's strategic plan to ensure that it is fit for purpose and will lay the foundations for long term future development
- considering how best to deal with long term funding issues arising from the uncertainty in the level of grant from the Music and Dance Scheme.

**REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR**

The School continued to monitor the quality and range of its musical and academic performances to ensure that it achieved results commensurate with its strategy of becoming, for an ever growing number of young musicians and their parents, the specialist music school of first choice.

The School was inspected by the Independent Schools Inspectorate in November 2014. The Inspectors found the School to be compliant in all areas. They described the quality of the pupils' achievements and learning as excellent commenting in particular on pupils' "unappeasable appetite to improve" and the way in which "the shared nature of music making encouraged collaboration and support for others".

**Musical Achievements**

The School undertook its usual large number and wide range of musical performances. Highlights included two Wigmore Hall concerts, a concert at Milton Court Concert Hall, the Freddy Morgan Piano Recital at the Southbank's Purcell Room, and orchestral concerts at the Watford Colosseum (conducted by Alexander Walker) and Southbank Centre's Queen Elizabeth Hall (conducted by Colin Metters). We returned to St. Alban's Abbey for a concert of orchestral and choral music. We undertook an ambitious cross-curricular project in collaboration with the Young People's Puppet Theatre, which culminated in three staged performances of Stravinsky's *Soldier's Tale* at the School, the Maltings, St. Albans and Jackson's Lane Theatre in Highgate, conducted by Patrick Bailey. This was a great success and resulted in national press coverage (Telegraph Education).

The School put on a range of smaller performances at other venues in London and the UK including several lunchtime concerts at St Martin in the Fields, recitals for Leeds International Concert Series, Radlett Music Club, the 'Music at Beaulieu' series at Beaulieu Abbey, and a lunchtime concert at St. James' Piccadilly. The School also continued to work towards developing local audiences, performing at a number of local venues and events including various churches in Hertfordshire.

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DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2015

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**REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR (cont)**  
**Musical Achievements (cont)**

In addition, a number of exciting new opportunities were organised; the Chamber Choir visited St. Paul's Cathedral to give a lunchtime concert, our Contemporary Ensembles performed at Morley College and rehearsed and recorded Anthony Gilbert's Ygg Drasil. Our wind players gave a foyer performance at Kings Place, a variety of pupils gave a concert for Deal Festival's John Ireland Celebration and a piano quintet performed at the annual Society of Heads Conference, attended by Heads of Independent Schools throughout the UK.

Purcell pupils participated in a number of competitions during the year. Notable successes were: Alim Beisembeyev (inaugural Cliburn Junior Competition at Forth Worth in Texas), Sebastian Kozub (1<sup>st</sup> prize in his age category at the 'Talents for Europe String Competition' in Slovakia) Bocheng Wang (1<sup>st</sup> prize at the Croyden Performing Arts Festival Concerto competition), Sam Every (finalist Young Drummer of the Year 2015).

Our annual end-of-year festival of events at the School included a varied programme of concerts and projects embracing the whole school community, from Lower School's Concert Challenge, Sound Image Movement, run by Aidan Goetzee, to a celebration of new music.

The School's own Chamber Music Academy ran throughout the year, generously supported by The Albert & Eugenie Frost Music Trust, giving young string players the opportunity to develop their knowledge and experience of the chamber music repertoire in greater depth, coached by some of the UK's most eminent chamber musicians. Coaching has been given by Garfield Jackson from the Endellion Quartet, Levon Chilingirian, Simon Rowland-Jones and members of the Jubilee, Piatti and Sacconi Quartets.

An increasing number of masterclasses and workshops were given by visiting musicians throughout the year including-

Guy Johnston - cello  
Karl Leister - clarinet  
Sally Beamish - composer  
Mica Levi - composer  
Robert Saxton - composer  
The Hermes Experiment (Anne Denholm - harp, Heloise Werner - soprano, Oliver Pashley - clarinet, Marianne Schofield - double bass)  
Verity Gunning - oboe  
Gilles Sylvestrini - oboe  
Vladimir Ashkenazy - Patron and conductor/pianist  
Adrian Bending - percussion  
Hugh Wilkinson - percussion  
Dmitri Alexeev - piano  
Philip Fowke - piano  
Professor Jasinski - piano  
David Mooney - piano  
Karim Said - piano  
Natalia Trull - piano  
RCM Trombone Ensemble  
Marius Bedeschi - violin  
Yolanda Bruno - violin  
Mark Messenger - violin (Head of Strings, RCM)  
Sarah Leonard - voice  
Atea Wind Quintet

We also hosted posture classes with David Katz, piano improvisation workshops with David Gordon, and weekly coached rehearsal slots for chamber music ensembles, big band and jazz groups, chamber choirs and Sinfonia and Symphony Orchestras.



**THE PURCELL SCHOOL**  
**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

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**REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR (cont)**  
**Musical Achievements (cont)**

Staff and students have been involved in extensive outreach activities which are detailed further in the community participation section below but which also help to promote the work of the school.

**Academic Achievements**

The School continued to demonstrate its commitment to an academic education with music at its heart and the results have been very encouraging. At A-level 42% of the grades were A\* or A, and 72% of pupils scored A\* to B. Twenty-nine pupils took up places at Music College, with 52% obtaining scholarships. AS results were very encouraging, with just under 60% of grades awarded being A or B (there is no A\* at AS level) and 71% scoring C or better.

At GCSE, pupils secured solid results, with 61% obtaining A\* or A and 83% A\*, A or B. This success has been achieved alongside a very demanding programme of music practice, competitions and concerts. Several pupils in Year 10 took some GCSEs (including Music and English Literature) one year early with 89% achieving A\* or A grades.

These significant achievements should be seen in light of the fact that the School is not academically selective and for many pupils English is not their first language. The EFL (English as a Foreign Language) department works closely with pupils from overseas to ensure that they have the appropriate English qualifications to take them on to the next stage of their education. Pupils with special educational needs, usually with some form of dyslexia or dyspraxia, continue to be given the necessary help by the Head of Learning Support. The identification of each pupil's needs is enhanced with the use of testing at appropriate ages.

**Destinations of Leavers**

Music colleges and universities in the UK remain the primary target for our students, and all of this year's leavers won places at their chosen institutions. These include four Oxford places, three to read music and one to read physics. The full list of destinations can be found below (the number in brackets is the number of scholarships won).

**Music Colleges and Conservatoires:**

Royal Academy of Music, London - 6 (5)  
Royal College of Music, London - 6 (3)  
Guildhall School of Music & Drama - 4 (2)  
Trinity Laban Conservatoire of Music and Dance, London - 4 (1)  
Birmingham Conservatoire, Birmingham - 2 (1)  
Royal Welsh College of Music and Drama, Cardiff - 2 (1)  
Royal Conservatoire of Scotland, Glasgow - 2 (2)  
Leeds College of Music, Leeds - 1  
Frankfurt Hochschule für Musik und Darstellende Kunst, Germany - 1  
American Academy of Dramatic Arts, New York, USA - 1

**Universities:**

University of Oxford - 4 (Music 3, Physics 1)  
King's College, London - 3 (Physics 1, Music 2 in 2016)  
Imperial College, London - 1 (Aeronautical Engineering)  
University of Bristol - 1 (Social Policy)

**THE PURCELL SCHOOL**  
**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

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**REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR (cont)**

**Administrative and Financial Achievements**

The main corridor was refurbished over the Spring of 2015.

With the help of our on-site caterer the school converted the unused day house into a coffee shop, and unused residential space was converted into teaching space.

Nicolas Hare Architects were appointed to start progressing the plans for the next major capital project 'The Space'.

Further work was carried out on the strategic plan. A number of staff working groups were formed and their input informed the development of a three year plan covering all areas of the School.

Governors continue to consider the financial challenges presented by the uncertainties in funding the Music and Dance Scheme. Meetings took place during the year with the Secretary of State for Education as well as officials within the Department for Education to discuss the challenges the School faces.

**Equal Opportunities**

The Purcell School is an equal opportunities organisation and is committed to a working environment that is free from any form of discrimination on the grounds of colour, race, ethnicity, religion, sex, sexual orientation or disability.

**Safeguarding**

The School is committed to safeguarding and promoting the welfare of pupils and expects all stakeholders to share this commitment.

**Community Participation**

The Outreach Programme enriches the School's collective life and brings pupils into contact with the wider world beyond school. It takes many forms from pupil led musical activities with local young people to the School opening its doors to the wider community when world class musicians give masterclasses or through the Chamber Music Academy.

Particular initiatives this year have been:

- The Outreach tour to Norfolk where pupils ran community projects in primary schools and gave concerts in local schools
- Pupils travelled to Kent to deliver the 'Write a Song and Sing it' event
- The Art Department put on an A level Art Exhibition at Bushey Museum
- The School hosted the Association of English Speakers and Singers junior recital competition
- The Prozone Music Brass Extravaganza for 129 visitors to the School. Described by Kevin Hathway, Head of Brass, as follows: 'What a super day! Lead trumpeter from Strictly, principal brass players from orchestras around the world, musical educators in the brass world - energy, fun, high decibels, learning at all levels rolled into one at Purcell'.

In addition, the School has continued to give concerts in and for the local community and to make its premises and specialist facilities available in holiday periods to the music "community" for a wide range of residential courses, workshops, audition days and study days.

**Fundraising Performance**

The scholarship fund received £256,790 during the year (of which £8,250 was for scholarships in the 2015/16 academic year). It is the long term aim of the Governors to raise sufficient monies to fund all non - Music and Dance Scheme fee remissions offered to pupils. However, as this amounts to approximately £500,000 each year, it is recognised that further work is required to reach this goal. Capital funding was also received to help with the refurbishment of the Constance Pilkington Hall.

**THE PURCELL SCHOOL**  
**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

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**REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR (cont)**

**Grant-making Policy**

This year the value of scholarships and other awards made to the School's pupils out of restricted funds was £280,000. In addition, fee remissions of £271,187 were made from unrestricted funds. As a result, almost every pupil at the School received some degree of financial support either through the Department for Education's Music and Dance Scheme or from the School's own funds.

The Governors' policy is to make these awards, subject to any particular conditions imposed by the donor where the award is made out of restricted funds, on the basis of individual financial need and circumstances. The availability of all such awards for fee-assistance is advertised on the School's web-site at [www.purcell-school.org](http://www.purcell-school.org) and promoted at all Open Days and recruitment events.

**FINANCIAL REVIEW AND RESULTS FOR THE YEAR**

The Charity is funded through separate funds, as follows:

**Expendable Endowment Funds**

The Expendable Endowment Fund is comprised of two grants. £1,200,000 was received to fund part of the new Music Centre and £2,500,000 to fund part of the new Boarding Accommodation. This fund is depreciated at £74,000 each year and released to unrestricted funds. All grants are repayable should the School sell its current site at Bushey within a ten year period of receipt of the grant.

**Restricted Funds**

Donations and grants of £329,796 (2014: £481,805) were received during the year for the specific purposes of funding pupils, supporting the Outreach Programme, the Chamber Music Academy, capital development projects and the purchase of a new Fazioli piano.

**Designated and Unrestricted Funds**

There was a surplus on net movement in the general Unrestricted Funds of £279,032 (2014: £317,104).

Net current liabilities at 31 August 2015 amounted to £199,127 (2014: £238,967). Both these amounts are net of £395,105 (2014: £395,105) due to the Samuel Gardner Memorial Trust for a low interest demand loan.

**Reserves Policy**

The School's unrestricted general funds stood at just over £9 million at the year end, wholly deployed as part of the financing of the School's premises and equipment as indicated in Note 11 of the financial statements. There are no free reserves because free reserves as defined by the Charity Commission are unrestricted funds less those funds represented by fixed assets. This amounted to a deficit of £1,137,190 (2014: £1,653,424). This illustrates the extent of investment in the School.

Governors consider that, given the strength of the School's balance sheet, the stable cash flow, current pupil numbers and the available banking facility that can be called upon if the need arises, there is currently no requirement to build up a free reserve.

**Bank Loan**

The School negotiated a bank loan of £2,500,000 in September 2009 to part fund the new and refurbished Boarding Accommodation, which had been fully drawn down by August 2012, at an interest rate of 2% over LIBOR. The loan is repayable in tranches by October 2017. A total of £400,000 was repaid during this financial year leaving a balance of £925,000 still to be repaid.

**THE PURCELL SCHOOL**  
**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

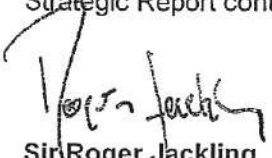
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**FUTURE PLANS**

The School's main objectives for the coming year encompass:

- maintaining its high level of musical and academic performance through implementing a series of departmental reviews and developing the School Appraisal policy
- ensuring the School's policy of offering places according to musical promise rather than ability to pay is upheld by offering means tested financial assistance to all pupils accepted by the School, either through the Department for Education's Music and Dance Scheme or School Scholarships
- continuing the enhancement of the School's premises
- progressing the next major capital project 'The Space'
- monitoring the requirement placed on the School under the Charities Act 2011 to continue to demonstrate public benefit
- continuing to build links with the community both through access to musical events and activities in the School
- Extending the Outreach Programme to involve a broader range of Purcell activities
- reviewing and developing the School's strategic plan to ensure that it is fit for purpose and will lay the foundations for long-term future development
- considering how best to deal with long-term funding issues.

This Annual Report, prepared under the Charities Act 2011 and the Companies Act 2006, was approved by the Board of The Purcell School on 9<sup>th</sup> March 2016, including in their capacity as company directors approving the Strategic Report contained therein, and is signed as authorised on its behalf by:



**Sir Roger Jackling**  
Chairman

9 March 2016

# THE PURCELL SCHOOL FOR THE YEAR ENDED 31 AUGUST 2015

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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE PURCELL SCHOOL

We have audited the financial statements of The Purcell School for the year ended 31 August 2015 which comprise the Statement of Financial Activities, the Summary Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and the related notes numbered 1 to 15.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of governors and auditor

As explained more fully in the Statement of Governors' Responsibilities, the governors (who are also the directors of the charitable company for the purpose of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the governors; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Strategic Report and the Governors' Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

THE PURCELL SCHOOL  
FOR THE YEAR ENDED 31 AUGUST 2015

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE PURCELL SCHOOL (cont)

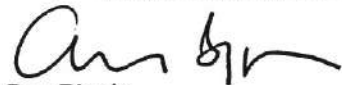
**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Strategic Report and the Directors' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Guy Biggin

Senior Statutory Auditor

For and on behalf of

**Crowe Clark Whitehill LLP**

Statutory Auditor

St Bride's House

10 Salisbury Square

London EC4Y 8EH

Date: 28 April 2016

**THE PURCELL SCHOOL**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

	Expendable endowment funds £	Restricted funds £	Unrestricted funds £	Total 2015 £	Total 2014 £
<b>INCOMING RESOURCES</b>					
<b>Charitable activities</b>					
Tuition fees, boarding house fees and recoveries (note 2)	-	-	5,145,306	5,145,306	5,052,763
Donations and grants	-	329,796	25,431	355,227	481,805
<b>Other activities to generate funds</b>					
Other income	-	-	152,757	152,757	168,016
Interest receivable	-	1,628	-	1,628	1,410
<b>TOTAL INCOMING RESOURCES</b>	<b>-</b>	<b>331,424</b>	<b>5,323,494</b>	<b>5,654,918</b>	<b>5,703,994</b>
<b>RESOURCES EXPENDED</b>					
<b>Charitable activities</b>					
School operating cost	-	319,621	4,900,581	5,220,202	5,110,273
<b>Cost of generating funds</b>					
Fundraising	-	19,218	74,967	94,185	76,230
Finance costs (note 5)	-	-	37,132	37,132	42,988
Governance costs	-	-	31,782	31,782	30,089
<b>TOTAL RESOURCES EXPENDED (note 3)</b>	<b>-</b>	<b>338,839</b>	<b>5,044,462</b>	<b>5,383,301</b>	<b>5,259,580</b>
<b>Net incoming/(outgoing)</b>					
Resources before transfers	-	(7,415)	279,032	271,617	444,414
Transfer between funds	(74,000)	(69,079)	143,079	-	-
<b>NET MOVEMENT IN FUNDS</b>	<b>(74,000)</b>	<b>(76,494)</b>	<b>422,111</b>	<b>271,617</b>	<b>444,414</b>
<b>FUNDS BALANCES (note 10)</b>					
<b>At 1<sup>st</sup> September 2014</b>					
Income	-	489,557	8,785,277	9,274,834	8,756,420
Endowment	3,364,667	-	-	3,364,667	3,438,667
	<b>3,364,667</b>	<b>489,557</b>	<b>8,785,277</b>	<b>12,639,501</b>	<b>12,195,087</b>
<b>At 31 August 2015</b>					
Income	-	413,063	9,207,388	9,620,451	9,274,834
Endowment	3,290,667	-	-	3,290,667	3,364,667
	<b>3,290,667</b>	<b>413,063</b>	<b>9,207,388</b>	<b>12,911,118</b>	<b>12,639,501</b>

All amounts relate to continuing activities.  
All gains and losses recognised in the year are included above.

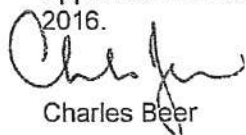
The notes on pages 17 to 27 form part of these financial accounts.

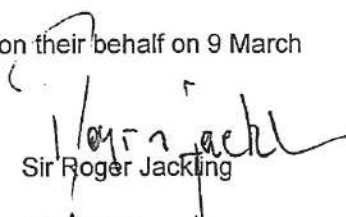
**THE PURCELL SCHOOL  
BALANCE SHEET  
AS AT 31 AUGUST 2015**

COMPANY REGISTRATION NUMBER 759327

	Notes	£	2015 £	2014 £
<b>FIXED ASSETS</b>				
Tangible assets	6		13,635,145	13,803,368
Investment in subsidiary company	7		<u>100</u>	<u>100</u>
			13,635,245	13,803,468
<b>CURRENT ASSETS</b>				
Debtors	8	336,427		209,571
Cash at bank and in hand		<u>930,324</u>		<u>792,100</u>
		1,266,751		1,001,671
<b>CREDITORS: amounts falling due within one year</b>	9(a)		<u>1,465,878</u>	<u>(1,240,638)</u>
<b>NET CURRENT (LIABILITIES)</b>			<u>(199,127)</u>	<u>(238,967)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			13,436,118	13,564,501
<b>CREDITORS: amounts falling due over one year</b>	9(b)		<u>(525,000)</u>	<u>(925,000)</u>
<b>NET ASSETS</b>			<u>12,911,118</u>	<u>12,639,501</u>
<b>FUNDS</b>				
Expendable Endowment	10		3,290,667	3,364,667
Restricted			<u>413,063</u>	<u>489,557</u>
			3,703,730	3,854,224
<b>Unrestricted Funds</b>				
General		<u>9,207,388</u>		<u>8,785,277</u>
			<u>9,207,388</u>	<u>8,785,277</u>
			<u>12,911,118</u>	<u>12,639,501</u>

Approved and authorised for issue on behalf of the Board and signed on their behalf on 9 March 2016.

  
Charles Beer  
Director

  
Sir Roger Jackling  
Chairman

The notes on pages 17 to 27 for part of these financial statements.



**THE PURCELL SCHOOL**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

	2015	2014
	£	£
Net cash inflow from Operating Activities (note 12a)	849,541	1,025,218
<b>Returns on Investments and Servicing of Finance</b>		
Interest received	1,628	1,410
Loan interest paid	<u>(37,132)</u>	<u>(42,988)</u>
<b>Net cash outflow from Returns on Investments on Investments and Servicing of Finance</b>	<b>(35,504)</b>	<b>(41,578)</b>
<b>Capital Expenditure</b>		
Payments to acquire tangible fixed assets	<u>(275,813)</u>	<u>(293,020)</u>
Net cash (outflow) from Capital Expenditure	<u>(275,813)</u>	<u>(293,020)</u>
Net cash inflow/(outflow) before Financing	<u>538,224</u>	<u>690,620</u>
<b>Financing</b>		
Bank loan repaid	<u>(400,000)</u>	<u>(275,000)</u>
Net cash (outflow)/inflow from Financing	<u>(400,000)</u>	<u>(275,000)</u>
Increase/(Decrease) in cash	<u>138,224</u>	<u>415,620</u>
<b>Reconciliation of net cashflow to movement in (net debt)</b>		
Increase in cash in the year	138,224	415,620
Net cash outflow from decrease in debt	<u>400,000</u>	<u>275,000</u>
Movement in net cash in the year	538,224	690,620
Net (debt) at 1 <sup>st</sup> September 2014	<u>(928,005)</u>	<u>(1,618,625)</u>
Net (debt) at 1 <sup>st</sup> September 2015 (note 12b)	<u>(389,781)</u>	<u>(928,005)</u>

The notes on pages 17 to 27 for part of these financial statements.

**THE PURCELL SCHOOL**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

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**1. ACCOUNTING POLICIES**

**(a) Basis of preparation of the accounts**

The financial statements are prepared under the historical cost convention, in accordance with applicable accounting standards, the Statement of Recommended Practice, "*Accounting and Reporting by Charities*" (the Charities SORP 2005) and the Companies Act 2006.

The company has not prepared consolidated accounts on the grounds that its subsidiary trading company is dormant and its figures are immaterial to the accounts.

After making enquiries, the directors have reasonable expectation that the School has adequate resources to continue its activities for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements, as outlined in the Financial Review and results for the year on page 10.

**(b) Incoming resources**

Fees receivable are accounted for in the year to which they relate and comprise tuition fees and charges to pupils, net of bursary fee remissions, but gross of awards made from the School's Scholarship Fund (which in turn are then considered as an expense under "support costs" – see note 3). Donations and gifts received for the general purposes of the School are credited to the School's funds. Donations and gifts subject to specific wishes of the donors are carried to the relevant restricted fund. Voluntary income is accounted for when the School's entitlement to it is considered to be legally enforceable and there is reasonable certainty of receipt.

Other income represents sundry income arising from the activity of the charitable company and is accounted for on an accruals basis.

**(c) Resources expended**

All the expenditure of the School is accounted for on an accruals basis and irrecoverable VAT is included with the item of expense to which it relates.

Expenditure is classified under the two principal categories of Cost of Generating Funds and Charitable Activities rather than the nature of the expense. The nature of the expense is given in a note to the accounts.

Charitable Activities expenditure comprises direct expenditure including direct staff costs attributable to the activity. Where costs cannot be directly attributed, they have been allocated to activities on a basis consistent with the use of the resources. Fundraising costs are those incurred in seeking voluntary contributions for the School. Governance costs are those incurred in connection with the management of the School's assets, organisational administration and compliance with constitutional and statutory requirements.

The Charity contributes to the Teachers' Pension Scheme at rates set by the Scheme Actuary and advised to the Governors by the Scheme Administrator. The scheme is a multi-employer pension scheme and it is not possible to identify the assets and liabilities of the scheme which are attributable to the School. In accordance with FRS17 the scheme is accounted for as a defined contribution scheme. The School also uses a defined contribution scheme for its non-teaching staff. The contributions are charged in the Statement of Financial Activities when made.

**THE PURCELL SCHOOL**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

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**ACCOUNTING POLICIES (Continued)**

**(d) Hire purchase contract and finance lease**

Assets acquired under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Interest and finance charges are taken to the Statement of Financial Activities in constant proportion to the remaining balance of capital repayment of net obligations outstanding.

**(e) Operating leases**

Rentals payable under operating leases are charged to the Statement of Financial Activities as they are incurred.

**(f) Tangible fixed assets**

i) Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Freehold land and buildings	See note (iii)
Temporary classrooms	20% on written down value
Computers	20% on cost
Furniture and equipment	15% on written down value
Fixtures and fittings	15% on written down value
Musical instruments	10% on written down value
Motor vehicles	25% on written down value

(ii) Expenditure in excess of £5,000 per item (£1,000 for computers) on equipment and furniture and fittings is capitalised. Items less than £5,000 (£1,000 for computers) are written off to the Statement of Financial Activities.

(iii) Freehold land is not depreciated. Freehold buildings are written off on a straight line basis over an estimated useful economic life of 50 years.

**(g) Fund accounting**

**(i) Expendable Endowment Funds**

Endowment funds represent the grants received from the Department for Education to support capital projects as disclosed in note 10. Endowed funds are where the Governors are required to hold capital, as represented by buildings, net of the related depreciation.

**(ii) Restricted Funds**

Restricted funds are funds which have been raised for, and their use restricted to, a specific purpose, or donations or legacies subject to donor imposed conditions.

**(iii) Designated Funds**

Designated funds are funds set aside out of general funds and designated for specific purposes by the Governors.

**(iv) General Fund**

The general fund consists of those funds which the company may use in furtherance of its charitable objectives at the discretion of the Governors and which have not been designated.

THE PURCELL SCHOOL  
 NOTES TO THE ACCOUNTS (CONTINUED)  
 FOR THE YEAR ENDED 31 AUGUST 2015

---

ACCOUNTING POLICIES (Continued)

(h) Taxation

The company is a registered charity and, therefore, is not liable for income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

(i) Investment

Investment in the subsidiary trading company is included in the Balance Sheet at cost.

2. FEES RECEIVABLE

	2015 £'000	2014 £'000
Gross fees	5,416,493	5,215,168
Less: Bursaries, fee remissions and scholarships	<u>(551,187)</u>	<u>(412,405)</u>
	4,865,306	4,802,763
Add back: Scholarships paid from Restricted Funds	<u>280,000</u>	<u>250,000</u>
<b>Net Fees Receivable</b>	<u><b>5,145,306</b></u>	<u><b>5,052,763</b></u>

Net fees received included £1,098,745 (2014: £971,230) paid by parents and £3,766,561 (2014: £3,831,533) paid by the Department for Education Music and Dance Scheme.

**THE PURCELL SCHOOL**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

**3. ANALYSIS OF TOTAL RESOURCES EXPENDED**

	Staff costs (note 4)	Other	Total 2015
<b>Charitable Activities</b>			
Teaching costs	2,326,525	223,425	2,549,950
Welfare and catering	391,064	370,130	761,194
Premises	253,926	411,176	665,102
School support costs	<u>224,662</u>	<u>732,294</u>	<u>956,956</u>
	<b>3,196,177</b>	<b>1,737,025</b>	<b>4,933,202</b>
<b>School Operating Costs</b>			
Cost of scholarships		280,000	280,000
Awards and prizes (paid from Scholarship Fund)		7,000	7,000
<b>Cost of Generating Funds</b>			
Fundraising	67,060	27,125	94,185
Finance costs	-	37,132	37,132
Governance costs	<u>10,000</u>	<u>21,782</u>	<u>31,782</u>
<b>Total Resources Expended</b>	<b><u>3,273,237</u></b>	<b><u>2,110,064</u></b>	<b><u>5,383,301</u></b>

	Staff costs (note 4)	Other	Total 2014
<b>Charitable Activities</b>			
Teaching costs	2,349,343	210,105	2,559,448
Welfare and catering	378,510	362,075	740,585
Premises	236,256	417,752	654,008
School support costs	<u>194,017</u>	<u>705,215</u>	<u>899,232</u>
	<b>3,158,126</b>	<b>1,695,147</b>	<b>4,853,273</b>
<b>School Operating Costs</b>			
Cost of scholarships	-	250,000	250,000
Awards and prizes (paid from Scholarship Fund)	-	7,000	7,000
<b>Cost of Generating Funds</b>			
Fundraising	50,732	25,498	76,230
Finance costs	-	42,988	42,988
Governance costs	<u>8,566</u>	<u>21,523</u>	<u>30,089</u>
<b>Total Resources Expended</b>	<b><u>3,217,424</u></b>	<b><u>2,042,156</u></b>	<b><u>5,259,580</u></b>

School support costs included depreciation costs of £444,036 (2014: £389,129).  
Fundraising costs comprise staff salary costs, fundraising materials and the costs of fundraising events.

**THE PURCELL SCHOOL**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

**ANALYSIS OF TOTAL RESOURCES EXPENDED (CONTINUED)**

	2015	2014
	£'000	£'000
Governance costs are broken down as follows:		
Salary costs of Clerk to Governors	10,000	8,566
Auditors' remuneration - audit (includes irrecoverable VAT)	15,900	15,600
- other	998	1,920
Inspection costs	3,746	2,891
Insurance	538	512
Postage and stationery	600	600
	<b>31,782</b>	<b>30,089</b>

**4. STAFF COSTS**

	2015	2014
	£'000	£'000
Salaries	2,771,008	2,760,562
Social security costs	206,323	211,627
Pension costs	295,906	245,235
	<b>3,273,237</b>	<b>3,217,424</b>

The average number of full-time equivalent employees during the year was made up as follows:

	No	No
Academic and Music	51	51
Boarding and Pastoral and Housekeeping	17	17
Administration, Property and Fundraising	14	12
	<b>82</b>	<b>80</b>
		<i>(revised)</i>

The number of employees whose emoluments exceeded £60,000 were:

	No	No
£60,000 - £70,000	2	2
£70,000 - £80,000	1	-
£90,001 - £100,000	1	1
	<b>4</b>	<b>3</b>

These employees received pension contributions at the rates set by the Government's Teachers' Pension Defined Benefits Scheme.

**5. FINANCE COSTS**

	2015	2014
	£	£
Loan interest	37,132	42,988
	<b>37,132</b>	<b>42,988</b>

**THE PURCELL SCHOOL**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

**6. TANGIBLE FIXED ASSETS**

	Freehold Land £	Freehold Buildings £	Additional Classrooms £	Computers £	Furniture and Equipment £	Fixtures and Fittings £	Musical Instruments £	Motor Vehicles £	Total £
<b>Cost</b>									
At 1 September 2014	685,000	14,375,457	96,516	468,380	525,889	860,005	801,926	60,099	17,873,272
Addition	-	120,519	-	45,483	22,211	-	87,600	-	275,813
At 31 August 2015	685,000	14,495,976	96,516	513,863	548,100	860,005	889,526	60,099	18,149,085
<b>Depreciation</b>									
At 1 September 2014	-	2,156,218	96,516	376,935	326,885	574,680	492,766	45,904	4,069,904
Charge for year	-	288,156	-	45,990	32,626	42,798	30,916	3,550	444,036
At 31 August 2015	0	2,444,374	96,516	422,925	359,511	617,478	523,682	49,454	4,513,940
<b>Net book value</b>									
At 31 August 2015	685,000	12,051,602	-	90,938	188,589	242,527	365,844	10,645	13,635,145
At 31 August 2014	685,000	12,219,239	-	91,445	199,004	285,325	309,160	14,195	13,803,368

**THE PURCELL SCHOOL**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

**7. INVESTMENT IN SUBSIDIARY**

The company has the following wholly owned subsidiary, incorporated in Great Britain, which did not trade during the year.

	2015 £	2014 £
Purcell School (Trading) limited 100 Ordinary shares of £1 each	100	100

**8. DEBTORS**

Tuition fees and recoveries	237,082	116,848
Other debtors	73,429	81,109
Prepayments	25,916	11,614
	336,427	209,571

**9(a) CREDITORS: amounts falling due within one year**

Tuition fees received in advance	204,665	-
Employee taxes, superannuation and social security	129,241	139,662
Other creditors	302,540	221,899
Accruals and deferred income	34,327	83,972
	670,773	445,533

Bank and other loans		
Samuel Gardner Memorial Trust: Repayable on demand, interest charged at 2% per annum	395,105	395,105
Coutts Bank loan: Repayable July 2015, interest charged at LIBOR plus 2%	400,000	400,000
	1,465,878	1,240,638

**9(b) CREDITORS: amounts falling due over one year**

A loan facility of £2,500,000 was secured from Coutts & Co. in September 2009 and a legal charge made against the School's freehold land and buildings. At the year-end £925,000 (2014: £1,325,000) was outstanding of which £400,000 (2014: £400,000) is repayable by August 2016 and £525,000 within two to four years (2014: £925,000).



**THE PURCELL SCHOOL**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

**10. FUNDS**

	<i>Balance</i> 31 August 2014 £	Incoming Resources £	Resources Expended £	Transfers £	<i>Balance</i> 31 August 2015 £
<b>Expendable Endowment Funds</b>					
Buildings Fund	1,048,000	-	-	(24,000)	1,024,000
Capital Development Fund	2,316,667	-	-	(50,000)	2,266,667
<b>Restricted Funds</b>					
Capital Development Fund	938	50,500	(16,750)	-	34,688
Scholarship Fund	387,725	256,790	(306,218)	-	338,297
Instrument Fund	79,375	8,079	-	(69,079)	18,375
Composition & Outreach Fund	11,519	6,055	(6,962)	-	10,612
Chamber Academy	10,000	10,000	(8,909)	-	11,091
<b>Unrestricted Funds</b>					
General Fund	8,785,277	5,323,494	(5,044,462)	143,079	9,207,388
	<u>12,639,501</u>	<u>5,654,918</u>	<u>(5,383,301)</u>	<u>-</u>	<u>12,911,118</u>

**Expendable Endowment Fund**

The Buildings Fund represents three tranches of a grant; two at £250,000 and one at £700,000 given by the Department for Education to support the construction of the Music Centre. A depreciation charge amounting to £24,000 (2014: £24,000) in respect of the Music Centre was transferred to the unrestricted general fund during the year.

The Capital Development Fund represents a grant of £2.5million received from the Department for Education in 2009 towards the cost of new boarding accommodation. £50,000 (2014: £50,000) has been transferred to the unrestricted fund in respect of the depreciation charge for the new Boarding Accommodation.

All grants are repayable should the School sell its current site at Bushey within a ten year period from the date of the grant.

**Restricted Funds**

The Capital Development Fund represents donations made to fund major projects. The income in this year was a grant received specifically to help with the refurbishment of the CP Hall. Capital development funds, going forward will be for the next major building project.

The Scholarship Fund comprises grants and donations made to the School for the purpose of funding needy pupils. Tuition fees in the Statement of Financial Activities include fees funded by scholarships of £287,000. This includes a £7,000 payment for the Felsenstein Award.

The Instrument Fund comprises grants and donations made to the School for the purchase of specific musical instruments.

The Composition and Outreach Fund represents grants and donations made to the School for the commissioning and performance of new music and for undertaking community based activities.

The Chamber Music Academy comprises funds received specifically to fund a chamber music initiative involving pupils from the Purcell School and the local community, led by Charles Sewart.

**THE PURCELL SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED 31 AUGUST 2015**

**10. FUNDS (CONTINUED)**

**Unrestricted Fund**

The General Fund comprises accumulated revenue surpluses and, once any restrictions have been met, receipts from restricted and unrestricted capital funds.

**11. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Fixed Assets £	Investments £	Assets/ (Liabilities) £	Total £
<b>Expendable Endowment Funds</b>				
Buildings Fund	1,024,000	-	-	1,024,000
Capital Development Fund	2,266,667	-	-	2,266,667
<b>Restricted Funds</b>				
Capital Development Fund	-	-	34,688	34,688
Scholarship Fund	-	-	338,297	338,297
Instrument Fund	-	-	18,375	18,375
Composition & Outreach Fund	-	-	10,612	10,612
Chamber Academy	-	-	11,091	11,091
<b>Unrestricted Fund</b>				
General Fund	<u>10,344,478</u>	<u>100</u>	<u>(1,137,190)</u>	<u>9,207,388</u>
<b>31 August 2015</b>	<u>13,635,145</u>	<u>100</u>	<u>(724,127)</u>	<u>12,911,118</u>
<i>31 August 2014</i>	<u>13,803,368</u>	<u>100</u>	<u>(1,163,967)</u>	<u>12,639,501</u>

**THE PURCELL SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED 31 AUGUST 2015**

**12a RECONCILIATION OF NET MOVEMENT IN FUNDS TO  
NET CASH INFLOW FROM OPERATING ACTIVITIES**

	2015	2014
	£	£
Net movement in funds	271,617	444,414
Adjustments		
Depreciation charge	444,036	389,129
(Increase)/	(126,856)	135,728
Decrease in debtors		
Increase in creditors	225,240	14,369
Interest received	(1,628)	(1,410)
Interest paid	37,132	42,988
Profit on sale of assets	-	-
	849,541	1,025,218
Net Cash Flow from Operating Activities	849,541	1,025,218

**12b ANALYSIS OF NET DEBT**

	31 August 2014	Cashflow	31 August 2015
	£	£	£
Cash at bank and in hand	792,100	138,224	930,324
Debt due within one year	(795,105)	-	(795,105)
Debt due in more than one year	(925,000)	400,000	(525,000)
	(928,005)	538,224	(389,781)

**13. OTHER OPERATING LEASES**

The Charity had the following annual commitments under non-cancellable operating lease

	2015	2014
	£	£
Plant and Machinery		
Lease expiring within two to five years	25,817	25,817

**THE PURCELL SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED 31 AUGUST 2015**

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**14. PENSION COMMITMENTS**

The School participates in the Teachers' Pension Scheme (England and Wales) ("the TPS"), for its teaching staff. This is a multi-employer defined benefits pension scheme and it is not possible or appropriate to consistently identify the liabilities of the TPS which are attributable to the School. As required by FRS17 "Retirement Benefits", the School accounts for this scheme as if it were a defined contribution scheme.

The pension charge for the year includes contributions payable to the TPS of £227,895 (2014: £194,724).

On 4 July 2012 the Chief Secretary to the Treasury confirmed that the Government will be taking forward legislation based on the reformed scheme design for the Teachers' Pension Scheme to be introduced in 2015 as set out in the Teachers' Pension Scheme – Proposed Final Agreement ("the TPS Agreement"). The TPS Agreement sets out the main parameters for both the provision of future pension benefits and the structuring of the future contributions to the TPS including the basis for increasing average employee contribution rates up to 2015.

On 31 January 2014, the Department of Education published the outcome of the consultation on further contributions increases that apply to members of the TPS in financial year 2013-14 as well as the removal of provisions governing scheme valuations and cap and share arrangements. A revised eight tier salary and employment contribution rate structure has been introduced from 1 April 2013 with employee rates varying between 6.4% and 11.2%. Employer contributions will continue for this period at the current rate 14.1%.

On 25 April 2013 the Public Service Pensions Act 2013 was enacted and provides the arrangements for managing the future TPS costs, including a requirement for scheme regulations which must set an employer cost which will be required to be in accordance with Treasury directions.

In light of the new arrangements for setting contributions rates the Government has concluded that there is now no need to carry out the currently suspended TPS actuarial review or the cap and share processes.

The School also runs a scheme for its support staff which is a defined contributions scheme. The cost for the year represents the School's contributions to the scheme of £68,011 (2014: £50,501).

**15. MEMBERS LIABILITY**

The company does not have any share capital and is limited by guarantee.

The liability of the 15 members at the year end is limited to £1.00 each.